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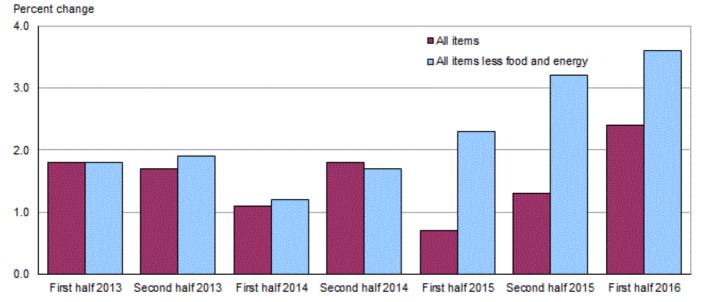
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Consumer Price Index, Honolulu – First Half 2016 Area prices were up 0.6 percent over the past six months, up 2.4 percent from a year ago

Prices in the Honolulu Area, as measured by the Consumer Price Index for All Urban Consumers (CPI-U), increased 0.6 percent in the first half of 2016, the U.S. Bureau of Labor Statistics reported today. (See <u>table A.</u>) Assistant Commissioner for Regional Operations Richard Holden noted that the six-month increase was influenced by higher prices for shelter. (Data in this report are not seasonally adjusted. Accordingly, six-month-to-six-month changes may reflect seasonal influences.)

Over the last 12 months, the CPI-U advanced 2.4 percent. (See <u>chart 1</u> and <u>table A</u>.) Energy prices dropped 17.6 percent, largely the result of a decrease in the price of gasoline. The index for all items less food and energy advanced 3.6 percent over the year. (See <u>table 1</u>.)

Chart 1. Over-the-year percent change in CPI-U, Honolulu, first half 2013-first half 2016



Source: U.S. Bureau of Labor Statistics.

Food

Food prices increased 0.8 percent in the first half of 2016. (See <u>table 1</u>.) Food prices away from home advanced 2.1 percent, but food prices at home decreased 0.4 percent for the same period.

Over the year, food prices increased 3.6 percent. Prices for food away from home advanced 5.4 percent, and prices for food at home rose 1.7 percent.

Energy

The energy index fell 11.7 percent since the second half of 2015. The decrease was mainly due to lower prices for gasoline (-14.2 percent). Prices for natural gas service fell 13.0 percent, and prices for electricity declined 9.2 percent for the same period.

Energy prices dropped 17.6 percent over the year, influenced by lower prices for gasoline (-21.6 percent). Prices paid for electricity fell 13.6 percent, and prices for natural gas service dropped 13.4 percent during the past year.

All items less food and energy

The index for all items less food and energy rose 1.4 percent in the latest six-month period. Higher prices for apparel (2.7 percent) and shelter (1.7 percent) were partially offset by lower prices for alcoholic beverages (-1.6 percent).

Over the year, the index for all items less food and energy advanced 3.6 percent. Components contributing to the increase included medical care (9.4 percent), shelter (3.6 percent), and recreation (3.4 percent).

Table A. Honolulu CPI-U semi-annual and annual percent changes (not seasonally adjusted)

	2011		2012		2013		2014		2015		2016	
	Semi-		Semi-		Semi-		Semi-		Semi-		Semi-	
Month	annual											
First Half	2.5	3.5	1.3	2.8	1.2	1.8	0.5	1.1	-0.5	0.7	0.6	2.4
Second Half	1.4	4.0	0.7	2.0	0.6	1.7	1.3	1.8	1.8	1.3		

The second half of 2016 Consumer Price Index for the Honolulu is scheduled to be released on mid-January 2017.

Technical Note

The Consumer Price Index (CPI) is a measure of the average change in prices over time in a fixed market basket of goods and services. The Bureau of Labor Statistics publishes CPIs for two population groups: (1) a CPI for All Urban Consumers (CPI-U) which covers approximately 89 percent of the total population and (2) a CPI for Urban Wage Earners and Clerical Workers (CPI-W) which covers 28 percent of the total population. The CPI-U includes, in addition to wage earners and clerical workers, groups such as

professional, managerial, and technical workers, the self-employed, short-term workers, the unemployed, and retirees and others not in the labor force.

The CPI is based on prices of food, clothing, shelter, and fuels, transportation fares, charges for doctors' and dentists' services, drugs, and the other goods and services that people buy for day-to-day living. Each month, prices are collected in 87 urban areas across the country from about 6,000 housing units and approximately 24,000 retail establishments--department stores, supermarkets, hospitals, filling stations, and other types of stores and service establishments. All taxes directly associated with the purchase and use of items are included in the index.

The index measures price changes from a designated reference date (1982-84) that equals 100.0. An increase of 16.5 percent, for example, is shown as 116.5. This change can also be expressed in dollars as follows: the price of a base period "market basket" of goods and services in the CPI has risen from \$10 in 1982-84 to \$11.65. For further details see the CPI home page on the Internet at www.bls.gov/cpi and the BLS Handbook of Methods, Chapter 17, The Consumer Price Index, available on the Internet at www.bls.gov/opub/hom/homch17 a.htm.

In calculating the index, price changes for the various items in each location are averaged together with weights that represent their importance in the spending of the appropriate population group. Local data are then combined to obtain a U.S. city average. Because the sample size of a local area is smaller, the local area index is subject to substantially more sampling and other measurement error than the national index. In addition, local indexes are not adjusted for seasonal influences. As a result, local area indexes show greater volatility than the national index, although their long-term trends are quite similar. **NOTE:Area indexes do not measure differences in the level of prices between cities; they only measure the average change in prices for each area since the base period.**

The Honolulu metropolitan area covered in this release consists of Oahu County in the State of Hawaii.

Information in this release will be made available to sensory impaired individuals upon request. Voice phone: (202) 691-5200; Federal Relay Service: (800) 877-8339

Table 1. Consumer Price Index for All Urban Consumers (CPI-U): Indexes for semiannual averages and percent changes for selected periods Honolulu, HI (1982-84=100 unless otherwise noted)

	Semiar	nnual average inc	Percent change to 1st half 2016 from-		
Item and Group	1st half 2015	2nd half 2015	1st half 2016	1st half 2015	2nd half 2015
Expenditure category					
All items.	257.848	262.482	264.038	2.4	0.6
All items (1967=100)	709.848	722.606	726.889	-	-
Food and beverages	263.610	270.472	272.390	3.3	0.7
Food	264.047	271.238	273.433	3.6	0.8
Food at home	264.135	269.886	268.709	1.7	-0.4
Food away from home	258.797	267.147	272.725	5.4	2.1
Alcoholic beverages	254.712	256.632	252.571	-0.8	-1.6
Housing	274.380	277.714	281.079	2.4	1.2
Shelter	295.504	300.930	306.182	3.6	1.7
Rent of primary residence	293.792	297.479	301.642	2.7	1.4
Owners' equiv. rent of residences (1)	305.094	311.160	317.964	4.2	2.2
Owners' equiv. rent of primary residence (1)	305.094	311.160	317.964	4.2	2.2
Fuels and utilities	334.075	324.495	313.815	-6.1	-3.3
Household energy	273.872	261.209	237.410	-13.3	-9.1
Energy services	269.057	256.515	232.672	-13.5	-9.3
Electricity	266.665	253.870	230.402	-13.6	-9.2
Utility (piped) gas service	267.712	266.469	231.854	-13.4	-13.0
Household furnishings and operations	149.378	148.742	149.881	0.3	0.8
Apparel	109.941	107.845	110.769	0.8	2.7
Transportation	217.288	216.223	210.717	-3.0	-2.5
Private transportation	215.372	209.809	202.217	-6.1	-3.6
Motor fuel	239.388	218.887	187.757	-21.6	-14.2
Gasoline (all types)	245.627	224.543	192.577	-21.6	-14.2
Gasoline, unleaded regular (2)	258.769	235.751	201.570	-22.1	-14.5
Gasoline, unleaded midgrade (2) (3)	198.119	181.706	156.507	-21.0	-13.9
Gasoline, unleaded premium (2)	218.577	201.210	174.319	-20.2	-13.4
Medical care	364.754	392.998	399.192	9.4	1.6
Recreation (4)	120.419	123.261	124.456	3.4	1.0
Education and communication (4)	146.406	149.332	150.105	2.5	0.5
Other goods and services.	473.733	483.535	483.778	2.1	0.1
Commodity and service group					
All Items	257.848	262.482	264.038	2.4	0.6
Commodities	197.662	197.922	196.818	-0.4	-0.6
Commodities less food & beverages	156.607	153.371	150.579	-3.8	-1.8
Nondurables less food & beverages	192.522	187.258	182.894	-5.0	-2.3
Durables	116.900	115.842	114.801	-1.8	-0.9
Services	310.299	318.437	322.420	3.9	1.3
Special aggregate indexes					
All items less medical care	252.166	255.456	256.756	1.8	0.5
All items less shelter	241.690	245.976	245.813	1.7	-0.1
Commodities less food	160.348	157.267	154.436	-3.7	-1.8
Nondurables	229.670	230.541	229.453	-0.1	-0.5
Nondurables less food	196.349	191.521	187.200	-4.7	-2.3
Services less rent of shelter (1)	329.223	341.162	343.120	4.2	0.6
Services less medical care services	304.147	309.935	314.247	3.3	1.4
Energy	253.948	236.872	209.132	-17.6	-11.7

Table 1. Consumer Price Index for All Urban Consumers (CPI-U): Indexes for semiannual averages and percent changes for selected periods Honolulu, HI (1982-84=100 unless otherwise noted) - Continued

	Semia	nnual average ir	Percent change to 1st half 2016 from-		
Item and Group	1st half 2015	2nd half 2015	1st half 2016	1st half 2015	2nd half 2015
All items less energy.	259.668	265.692	269.023	3.6	1.3
All items less food and energy	260.332	266.178	269.809	3.6	1.4

⁽¹⁾ Index is on a December 1982=100 base.

⁽²⁾ Special index based on a substantially smaller sample.

⁽³⁾ Indexes on a December 1993=100 base. (4) Indexes on a December 1997=100 base.

⁻ Data not available.